REMARKS

In view of the foregoing amendments and the following remarks, reconsideration of the subject application is respectfully requested. Claims 1-5 and 7-27 are presently pending in the application. Claim 6 has been canceled. Claims 28-36 are directed to non-elected subject matter and were withdrawn previously. Claims 1, 2, 7, 10 and 11 have been amended to clarify the invention. All amendments are fully supported by the specification. No new matter has been added.

Claim Rejections under 35 U.S.C. §112

In the Office Action, claims 1-27 were rejected under 35 U.S.C. §112, second paragraph, as being indefinite. Specifically, the Office asserts that some ambiguity exists as to whether compliance with the rule is determined before or after the related entries have been incorporated into the rule.

Independent claims 1 and 10 have been amended to clarify that the claimed invention includes receiving an investment request, accessing the dynamic database, incorporating entries contained in the database into the rule, and then determining whether the investment request complies with the rule.

Independent claims 19 and 24 recite, among other things, a processor configured to apply a rule to an investment request regarding a transaction involving a financial instrument by referring to the dynamic list and incorporating each related entry contained in the dynamic list into the rule. Applicant respectfully suggests that the language of independent claims 19 and 24 make it clear that applying the rule to an investment request or to an investment portfolio involves referring to the dynamic list and incorporating related entries into the dynamic list. A

determination as to whether the investment request or investment portfolio complies with the rule is made after the related entries have been incorporated into the rule. Applicant respectfully submits that he has particularly pointed out and distinctly claimed the subject matter he regards as the invention. Withdrawal of the rejection under 35 U.S.C. § 112 is respectfully requested.

Claim Rejections under 35 U.S.C. §102

In the Office Action, claims 1-27 were rejected under 35 U.S.C. §102(b) over U.S. Patent No. 5,893,079 to Cwenar in view of PCT International Application No. WO 00/75821 to Arnold. Applicant respectfully submits that the rejection of claims 1-27 under 35 U.S.C. §102 based on two references is improper. Ordinarily, a claim is anticipated only if each and every element as set forth in the claim is found in a single prior art reference. *See* MPEP 2131. However, a 35 U.S.C. § 102 rejection over multiple references may be proper when the secondary references 1) prove the primary reference contains an enabled disclosure; 2) explain the meaning of a term used in the primary reference; or 3) show that a characteristic not disclosed in the primary reference is inherent. *See* MPEP 2131.01. These exceptions do not apply to the present rejection; the Office is simply asserting that the Arnold reference discloses an element of the claimed invention that is not disclosed or suggested by the Cwenar reference. Thus, a rejection under 35 U.S.C. § 102 is improper. Withdrawal of the rejection is respectfully requested.

Cwenar and Arnold, either individually or in combination, fail to disclose or suggest incorporating related references from a dynamic database into a rule that is then applied to an investment request to determine whether the request complies with an investment objective. For at least this reason, independent claim 1 and all claims depending therefrom are patentable over Cwenar and Arnold.

Claim 1 recites a method of determining whether a transaction involving a financial instrument is in compliance with investment objectives associated with an investment portfolio. The method includes providing a rule pertaining to an investment objective. The rule includes a reference to a dynamic database with a plurality of entries related to the rule. The method also includes receiving an investment request, accessing the dynamic database, and incorporating each related entry contained in the dynamic database into the rule. This allows a compliance rule to be utilized in a more efficient and cost effective manner.

Cwenar recites a computerized data processing system having an external data interface for communicating with non-user outside sources of investment data to process and deliver the data to a server for storage in a central database. The data delivered to the central database is in the form of data storage tables containing investment data. A data storage table may contain information with respect to an individual security, such as a description of the security, coupon, yield, price, CUSIP number, and issuer of the security.

The system also provides a compliance means which serves to compare a proposed trade with a group of rules which can be prioritized with respect to legal or business standards. The system can then provide instructions regarding stopping, delaying, or proceeding with the proposed trade with appropriate records being kept.

The Office concedes that Cwenar fails to teach or suggest incorporating entries from a dynamic database into a rule. *See* Office Action at page 5. The system disclosed in Cwenar allows a user to input rules through an external interface. *See* col. 11, lines 44-45. The rules may be stored on a local computer or in a central database. *See* col. 11, lines 46-51. The rules can be based on legal requirements, *see* col. 12, lines 6-7, or can be discretionary and customized to the preference of a user. *See* col. 12, lines 40-42. As the Office has acknowledged, Cwenar

simply does not disclose the step of incorporating entries from a dynamic database into the disclosed rules. Because Cwenar fails to disclose or suggest each element recited in the claim, claim 1 and all claims depending therefrom are patentable over Cwenar.

Arnold fails to remedy the deficiencies of Cwenar. Arnold discloses a financial management system for evaluating and determining the type of residual value insurance required to protect against a total or partial loss on an investment. The system includes a tax advantage sub-system which evaluates the tax advantages and consequences of a particular investment based on input provided by an investor and investment manager. *See* page 11, lines 9-12. The tax advantage sub-system has access to a tax advantage database which includes a set of tax rules relating to one or more tax jurisdictions. The tax advantage database is updated and maintained to keep the tax rules current. *See Id.*

Arnold does not disclose or suggest an investment objective rule that includes a reference to a dynamic database containing a plurality of entries related to the rule. Arnold discloses a system that accesses a set of tax rules from a database. The Office contends that "[i]t would have been obvious to one of ordinary skill in the art at the time of the invention to incorporat[e] each of the related entries contained in the dynamic database into the at least one rule because this would maintain the (investment or tax or compliance) rules most up to date." However, Arnold does not disclose related entries, that is, entries in a database related to an investment rule, let alone incorporating the related entries into an investment rule. Additionally, Arnold does not determine whether an investment request complies with a rule. The rules disclosed in Arnold are tax rules of a given jurisdiction. Using the tax rules as well as inputs provided by a user relating to the structure of a business, the system described in Arnold identifies and ranks various tax alternatives available to an investor. *See* Arnold, page 17, lines 4-11. The system

described in Arnold does not determine compliance with a single rule, but rather identifies tax alternatives in view of an entire database of applicable tax rules. Additionally, Arnold does not disclose or suggest incorporating related entries into the rules. For at least these reasons, claim 1 is not rendered obvious by Cwenar and Arnold, either individually or in combination.

Independent claims 10, 19, and 24 each include the step of incorporating related entries in a dynamic database into a rule. Thus, claims 1, 10, 19, and 24, as well as all claims depending therefrom are patentable over Cwenar and Arnold, either individually or in combination.

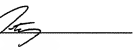
CONCLUSION

It is respectfully submitted that each of the pending claims in the application, namely claims 1-5 and 7-27, is directed to patentable subject matter. Allowance of all pending claims in the application is earnestly solicited.

The Director is hereby authorized to charge any deficiency in the fees filed, asserted to be filed, or which should have been filed herewith (or with any paper hereafter filed in this application by this firm) to our Deposit Account No. 04-1105, under Order No. 58985(49357).

Respectfully submitted,

Date: April 1, 2008



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